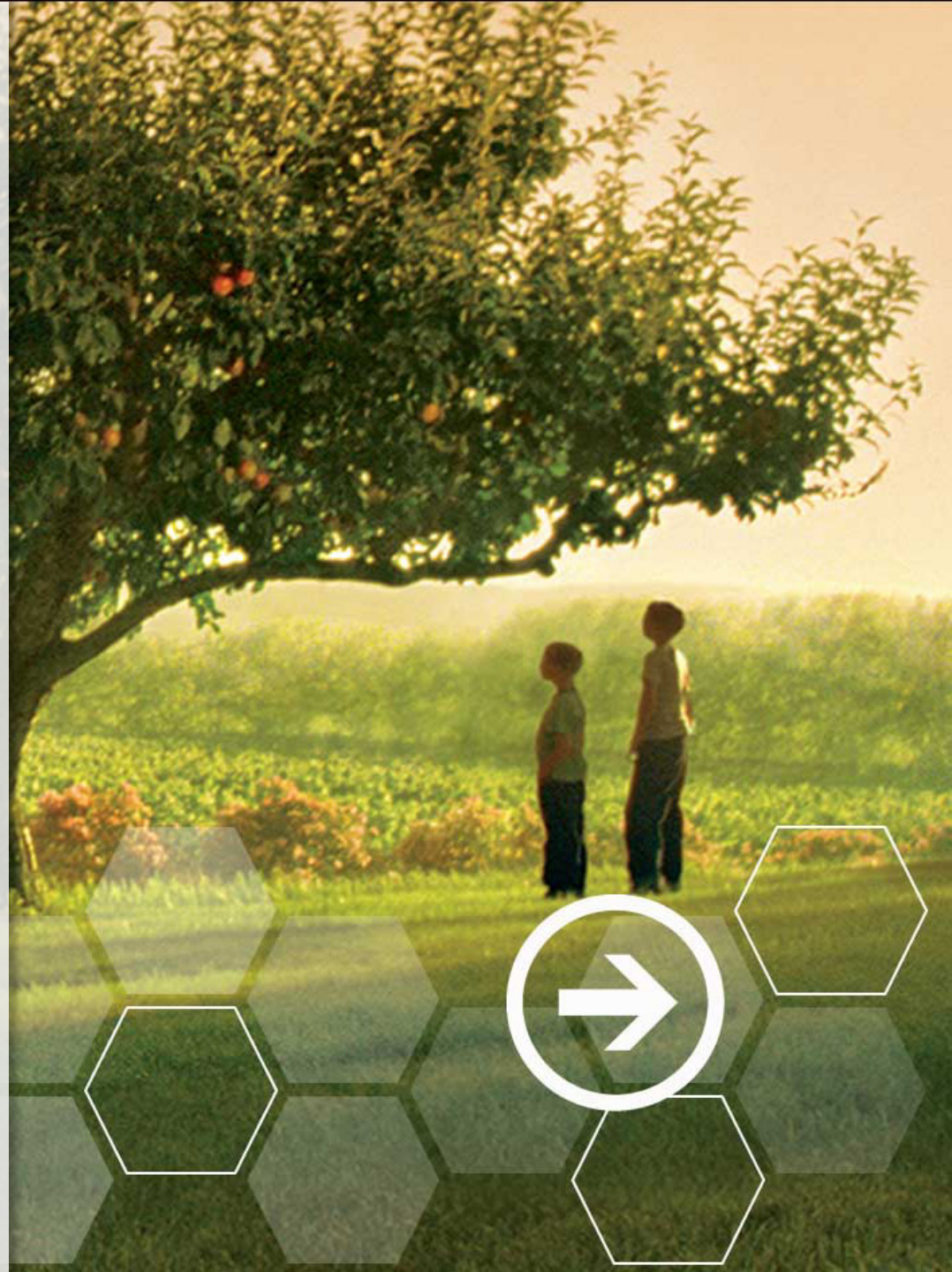
THE J. M. SMUCKER COMPANY

Second Quarter Fiscal 2017 Earnings

SUPPLEMENTARY INFORMATION

November 17, 2016



NON-GAAP MEASURES & SEGMENT RESULTS

Beginning May 1, 2016, the Company redefined certain non-GAAP measures and modified its segment profit calculation to exclude amortization expense related to intangible assets, including any related impairment charges. Prior year results have been modified to conform to the new presentation. Additional information is included in the Company's Form 8-K, dated July 25, 2016.

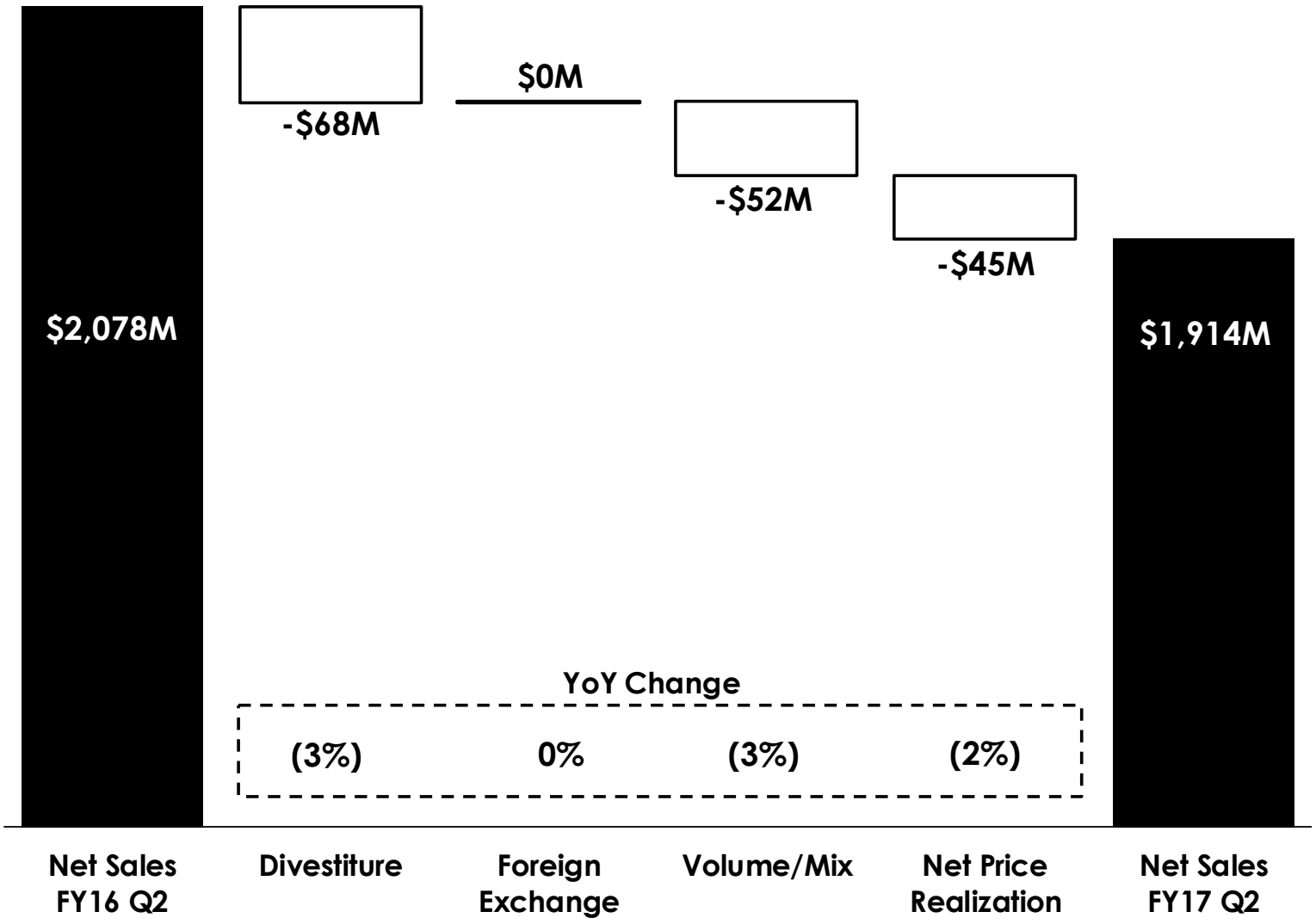
CONSOLIDATED RESULTS

Income Statement Highlights

($ in millions, except per share data)	FY17 Q2	FY16 Q2
Net Sales *YoY Change*	$1,914 (8%)	$2,078
Adjusted Gross Profit *YoY Change*	$757 (3%)	$784
Adjusted Gross Profit Margin *YoY Change*	39.6% +190bps	37.7%
Adjusted Operating Income *YoY Change*	$396 0%	$394
Adjusted Operating Income Margin *YoY Change*	20.7% +170bps	19.0%
Adjusted EPS *YoY Change*	$2.05 *7%*	$1.91

CONSOLIDATED RESULTS

Net Sales Analysis



Note: Amounts may not add due to rounding

CONSOLIDATED RESULTS

Balance Sheet/Cash Flow Highlights

($ in millions)	FY17 Q2	FY16 Q2
Cash from Operations	$136	$276
Capital Expenditures	34	64
Free Cash Flow	$103	$211
	Oct. 31, 2016	**April 30, 2016**
Total Debt	$5,351	$5,430
EBITDA (TTM)	$1,595	$1,579
Gross Debt/EBITDA (TTM)	3.4x	3.4x

Note: Amounts may not add due to rounding

SEGMENT RESULTS

FY17 Q2

($ in millions)	COFFEE	CONSUMER FOODS	PET FOODS	INT'L & FOODSERVICE
Net Sales	$552	$557	$531	$274
YoY Change	(6%)	(13%)	(6%)	(3%)
YoY Change Summary:				
Volume/Mix	(1%)	(4%)	(5%)	2%
Net Price Realization	(5%)	(1%)	(1%)	(2%)
Acquisition/Divestiture	n/a	(9%)	n/a	(2%)
Foreign Currency Exchange	n/a	n/a	n/a	0%
Segment Profit	$186	$119	$114	$52
YoY Change	3%	(7%)	0%	(7%)
Segment Profit Margin	33.8%	21.3%	21.6%	18.9%
YoY Change	+300bps	+150bps	+130bps	-90bps

Note: Amounts may not add due to rounding

FULL-YEAR FISCAL 2017 OUTLOOK

	CURRENT GUIDANCE	PREVIOUS GUIDANCE
Net Sales *YoY Change*	(2%) - (3%)	(2%) - (3%)
Net Sales Excluding Divested Business *YoY Change*	0% - (1%)	0% - (1%)
Adjusted EPS	$7.60 - $7.75 Bias toward mid to high	$7.60 - $7.75 Bias toward mid to high
Free Cash Flow	$1.0B	$1.0B
Capital Expenditures	$240M	$240M
Effective Tax Rate	33.0%	33.5%

FULL-YEAR FISCAL 2017 OUTLOOK BY SEGMENT

SEGMENT	NET SALES	SEGMENT PROFIT	KEY COMMENTARY
Coffee	↓	↔	• Net sales decline due to lower pricing • Profit reflects favorable volume/mix, lower input costs, and higher marketing
Consumer Foods	↓	↓	• Declines due to divested milk business • Excluding divestiture, segment profit expected to increase
Pet Foods	↓	↓	• Reflects near term weakness in mainstream pet food • Increased trade and marketing spend in 2H to support brand launch
International & Foodservice	↑	↓	• Base business growth • Foreign exchange headwind on COGS

FORWARD-LOOKING STATEMENT

This presentation contains forward-looking statements, such as projected net sales, operating results, earnings, and cash flows, which are subject to risks and uncertainties that could cause actual results to differ materially from future results expressed or implied by those forward-looking statements. The risks, uncertainties, important factors, and assumptions listed and discussed in this presentation, which could cause actual results to differ materially from those expressed, include: the ability to achieve synergies and cost savings related to the Big Heart Pet Brands acquisition in the amounts and within the time frames currently anticipated and to effectively manage the related integration costs; the ability to generate sufficient cash flow to meet the Company's deleveraging objectives; volatility of commodity, energy, and other input costs; risks associated with derivative and purchasing strategies employed to manage commodity pricing risks; the availability of reliable transportation on acceptable terms; the ability to implement and realize the full benefit of price changes, and the impact of the timing of the price changes to profits and cash flow in a particular period; the success and cost of marketing and sales programs and strategies intended to promote growth in the businesses, including the introduction of new products; general competitive activity in the market, including competitors' pricing practices and promotional spending levels; the impact of food security concerns involving either the Company's or its competitors' products; the impact of accidents, extreme weather, and natural disasters; the concentration of certain of the Company's businesses with key customers and suppliers, including single-source suppliers of certain raw materials and finished goods, and the ability to manage and maintain key relationships; the timing and amount of capital expenditures and share repurchases; impairments in the carrying value of goodwill, other intangible assets, or other long-lived assets or changes in useful lives of other intangible assets; the impact of new or changes to existing governmental laws and regulations and their application; the outcome of tax examinations, changes in tax laws, and other tax matters; foreign currency and interest rate fluctuations; and risks related to other factors described under "Risk Factors" in other reports and statements filed with the Securities and Exchange Commission, including the most recent Annual Report on Form 10-K. The Company undertakes no obligation to update or revise these forward-looking statements, which speak only as of the date made, to reflect new events or circumstances.

NON-GAAP MEASURES

The Company uses non-GAAP financial measures, including: net sales excluding the noncomparable impact of the divestiture and foreign currency exchange; adjusted gross profit, operating income, income, and earnings per share; earnings before interest, taxes, depreciation, and amortization ("EBITDA"); and free cash flow, as key measures for purposes of evaluating performance internally. The Company believes that these measures provide useful information to investors because they are the measures used to evaluate performance on a comparable year-over-year basis. Non-GAAP profit measures exclude certain items affecting comparability which include merger and integration and restructuring costs ("special project costs") and unallocated gains and losses on commodity and foreign currency exchange derivatives ("unallocated derivative gains and losses"). The special project costs relate to specific merger and integration and restructuring projects, and the unallocated derivative gains and losses reflect the changes in fair value of the Company's commodity and foreign currency exchange contracts. Beginning May 1, 2016, the Company redefined the non-GAAP measures to also exclude amortization expense related to intangible assets, including any related impairment charges ("amortization"), and have modified prior year results to conform to the new definition. The Company believes that excluding amortization in its non-GAAP measures is more reflective of the Company's operating performance and the way in which the Company manages its business, as amortization is a non-cash expense and can be significantly affected by the timing and size of acquisitions. These non-GAAP financial measures are not intended to replace the presentation of financial results in accordance with U.S. generally accepted accounting principles ("GAAP"). Rather, the presentation of these non-GAAP financial measures supplements other metrics used by management to internally evaluate its businesses and facilitates the comparison of past and present operations and liquidity. These non-GAAP financial measures may not be comparable to similar measures used by other companies and may exclude certain nondiscretionary expenses and cash payments. A reconciliation of certain non-GAAP financial measures to the comparable GAAP financial measure for the current and prior year periods is included in the "Non-GAAP Reconciliation" tables. The Company has also provided a reconciliation of non-GAAP financial measures for its fiscal 2017 outlook. As the amount of unallocated derivative gains and losses varies depending on market conditions and levels of derivative transactions with respect to a particular fiscal year, it is not determinable on a forward-looking basis and no guidance has been provided.

This presentation is available on our website at jmsmucker.com/investor-relations.

NON-GAAP RECONCILIATION

($ in millions)	Three Months Ended October 31,	
	2016	2015
Gross profit reconciliation:		
Gross profit	$ 742.9	$ 787.3
Unallocated derivative losses (gains)	14.2	(6.0)
Cost of products sold – special project costs	0.3	3.0
Adjusted gross profit	$ 757.4	$ 784.3

	Three Months Ended October 31,	
	2016	2015
Operating income reconciliation:		
Operating income	$ 303.3	$ 313.8
Amortization	51.8	53.0
Unallocated derivative losses (gains)	14.2	(6.0)
Cost of products sold – special project costs	0.3	3.0
Other special project costs	26.6	30.6
Adjusted operating income	$ 396.2	$ 394.4

NON-GAAP RECONCILIATION

($ in millions, except per share data)	Three Months Ended October 31,	
	2016	2015
Net income reconciliation:		
Net income	$ 177.3	$ 176.0
Income taxes	88.2	93.6
Amortization	51.8	53.0
Unallocated derivative losses (gains)	14.2	(6.0)
Cost of products sold – special project costs	0.3	3.0
Other special project costs	26.6	30.6
Adjusted income before income taxes	$ 358.4	$ 350.2
Income taxes, as adjusted	119.2	121.1
Adjusted income	$ 239.2	$ 229.1
Weighted-average common shares outstanding	115,885,448	119,159,257
Weighted-average participating shares outstanding	544,184	511,041
Total weighted-average shares outstanding	116,429,632	119,670,298
Dilutive effect of stock options	123,608	10,276
Total weighted-average shares outstanding – assuming dilution	116,553,240	119,680,574
Adjusted earnings per share	$ 2.05	$ 1.91

NON-GAAP RECONCILIATION

($ in millions)	Three Months Ended				Year Ended
	January 31, 2016	April 30, 2016	July 31, 2016	October 31, 2016	April 30, 2016
EBITDA reconciliation:					
Net income	$ 185.3	$ 191.0	$ 170.0	$ 177.3	$ 688.7
Income taxes	90.0	19.2	83.4	88.2	289.2
Interest expense - net	43.6	40.5	41.5	41.0	171.1
Depreciation	55.1	56.2	54.0	53.0	221.7
Amortization	52.2	50.2	51.7	51.8	208.4
Earnings before interest, taxes, depreciation, and amortization	$ 426.2	$ 357.1	$ 400.6	$ 411.3	$ 1,579.1

NON-GAAP RECONCILIATION

Company Guidance

($ in millions, except per share data)	Year Ending April 30, 2017 Low	High
Net income per common share – assuming dilution reconciliation:		
Net income per common share – assuming dilution	$ 5.85	$ 6.00
Special project costs	0.57	0.57
Amortization	1.18	1.18
Adjusted earnings per share	$ 7.60	$ 7.75

	Year Ending April 30, 2017
Free cash flow reconciliation:	
Net cash provided by operating activities	$ 1,240
Additions to property, plant, and equipment	(240)
Free cash flow	$ 1,000



Additional Information:

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